

(LETTERHEAD OF LOCAL SPONSOR)

(CURRENT DATE)

Ms. Sharon Bond
Chief, Planning Branch
U. S. Army Engineer District, Louisville
P.O. Box 59
Louisville, Kentucky 40201-0059

Dear Ms. Bond:

The (City of _____, Town of _____, County of _____) hereinafter called the "Sponsor", is interested in obtaining Corps of Engineers assistance in Small Navigation Project located on (Creek, River) at **(provide location)** under authority of **Section 107 of the River and Harbor Act of 1960.** *(Briefly discuss need for study and nature, extent, and source of interest in navigation needs and provide any other available information justifying those needs.)*

The sponsor is aware of the following non-federal cost sharing requirements associated with the Corps' Small Navigation Projects completed under authority of Section 107. The initial step for a proposed navigation project is the preparation of a feasibility study. The first \$100,000 is funded at 100% Federal expense. Study costs in excess of \$100,000 are shared 50/50 with the non-federal sponsor according to a cost-sharing agreement. After about \$20,000 has been expended, a decision is made whether to continue and whether cost sharing is likely to be needed. In the study, the problem is defined, the Federal interest is determined, potential solutions are laid out, and the most feasible plan is chosen. The costs, benefits, and environmental impacts of the potential project are analyzed. A project cooperation agreement (PCA) is drawn up in which the Government and the sponsor agree to share project costs. During construction the sponsor must pay 10 percent of the construction costs for the breakwater, entrance channel, and maneuvering area for projects 20 feet deep or less. (For projects more than 20 but less than 45 feet deep, the sponsor must pay 25 percent.) The sponsor must pay an additional 10 percent over 30 years; the value of lands, easements, and rights-of-way may be credited toward this amount. Local interests must pay any costs over the \$4-million Federal limit.

The sponsor is aware that this letter constitutes an expression of intent and not a contractual obligation. The sponsor or the Corps may opt to discontinue the project development process at anytime prior to execution of a project cooperation agreement, which occurs just prior to beginning construction.

If you need additional information, please contact: (designee) at (telephone number).

Signed by Chief Executive Officer

And

Legal Counsel for the Government Entity

cc: Louisville District Corps of Engineers
ATTN: Ms. Amy K. Sharp; PM-P (Outreach Coordinator)
P.O. Box 59
Louisville, Kentucky 40201-0059